

COMMUNICATION

FROM

BARING & BROTHERS,

OF LONDON,

TO THE

LEGISLATURE OF MARYLAND.

ANNAPOLIS:

WILLIAM M'NEIR, PRINTER.

1844.

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COMMUNICATION.

*To the Honorable
Senate and House of Delegates
of the State of Maryland :*

The undersigned having been appointed agents of the State of Maryland, for the payment of dividends of interest on the Stocks of the State negotiated in England, feel it to be their duty resulting from the relation in which they are placed to the parties concerned, to present to the consideration of your honorable body the case of the said Stockholders.

The holders of the said Stocks in loaning their funds to the State of Maryland, for the advancement of her Internal Improvements, loaned them on terms, which while they were satisfactory to themselves, were at the same time highly advantageous to the State.— These terms were based on the entire faith which was placed in the readiness and ability of the people of the State to meet their engagements, and the consequent security of such an investment. It was therefore with surprise as well as with disappointment, that they received the information, that the Treasury of the State was not provided with funds for the payment of the interest which had accrued on the said Stocks. Their surprise and alarm were however in some measure abated, when they learned that the failure, in the provision of the necessary funds, arose from a state of pecuniary embarrassment which pervaded the whole country and rendered unavailable the resources of the people of Maryland, in a degree entirely without precedent.

The undersigned have looked with confidence to the intelligence and honour of the General Assembly of Maryland to take advantage of the first return of a more prosperous state of affairs, for improving the condition of the finances, and providing such additional sources of revenue, as would be sufficient for enabling the State to fulfil its engagements, and to restore its credit, from the effects of the shock which it has thus received. But they are compelled to express their

regret that their expectations have been thus far disappointed. The interest on the said Stocks now remain in arrear and your memorialists are wholly unable to give the holders thereof any assurance, of the period when payments, in conformity with the engagements of the State, will be made.

Your memorialists have been informed that a direct tax has been levied for the last three years upon the estates and property of the people of the State, which if the collection thereof had been promptly enforced would have been sufficient with the income from the public works, and the revenue from other sources, to meet the interest of the public debt together with the other necessary expenditures of the State. If it be true that taxes sufficient for this object are already authorized by law, your memorialists cannot doubt but, that provision will be made for the more efficient execution of those laws, so that the public creditor may not suffer embarrassment or loss from the insufficiency of the revenue, and that the punctual tax payer may not suffer in common with the delinquent, the discredit of having the pledges of the State dishonored, through the neglect of the latter.

The undersigned beg leave to suggest that the marked improvement in the state of business and of the pecuniary resources of the people, throughout the country, since the last session of the Legislature, presents a favorable opportunity for an effective effort for restoring order in the finances of the State, and re-establishing its credit.

The undersigned do not suppose that in a State so wealthy and prosperous as are the people of Maryland (which is burdened by no public debt, except that which has been contracted by its own representatives for its internal improvements, the interest of which debt, after deducting the amount of net income already afforded by those improvements, would be more than discharged by an annual tax of one quarter of one per cent on the assessed value of the taxable property of the State) the burden of preserving the public faith inviolable, will be regarded, as presenting any obstacle, especially in the present restored condition of prosperity throughout the country, to an effectual provision for all the wants of the Treasury. The tax required may be a heavy one compared with the burdens which the people of Maryland have been heretofore accustomed to bear, but it is light compared with the taxes which are paid by the subjects of most well organized governments and not to be placed in comparison with the disadvantages of a disordered state of the finances, and a prostrated public credit.

Your memorialists are aware, that after the embarrassments which have been alluded to; and the accumulation of interest for a period of two years, it may be difficult to provide at once for the payment of the arrears, together with the current interest. They therefore beg leave to suggest, that should the General Assembly deem it necessary or expedient, to postpone to a convenient period hereafter, the payment of interest which has fallen in arrear, they are of opinion that most

o fthe holders of the said stocks would readily accept in lieu of cash payments of such arrears, other stocks bearing interest at the rate of six per cent per annum, and payable at such date as the General Assembly may deem it suitable to prescribe. To render such stock however fully acceptable, provision should be made, for the payment of the interest which shall hereafter accrue on the whole stock with a punctuality which has heretofore, until the period now alluded to, distinguished the pecuniary transactions of the State of Maryland.

The undersigned cannot doubt that a State which numbers among its citizens merchants distinguished by their just sense of a punctilious mercantile honour—statesmen fully sensible of the value of a well sustained and unquestionable public credit—and masses of citizens who by their education and a just moral sense are capable of appreciating the obligations of public faith as well as of individual honesty will take the first opportunity to repair that breach of the obligations of the State, which has been incurred by misfortune, and by the sudden change in the affairs of the people, against which the foresight of their Representatives did not enable them to guard.

The undersigned therefore respectfully pray your honorable body, that measures may be adopted at the present session for the liquidation of the arrears of interest, in a manner which may be satisfactory to the Stockholders, and that such provision may be made for enforcing a prompt collection of the taxes, already levied by law, and for further taxation, if necessary, as will be adequate to securing the future punctual payment of the semi-annual dividends of interest, and to the permanent maintenance of the public credit, in such a manner as to relieve the holders of the securities, from all apprehension of loss, through the confidence which they have reposed in the good faith of the State.

London, 2d January, 1844.

BARING & BROTHERS.

